10/4/85
SLL15-2

OREGON LABOR TRENDS

Prepared by Research and Statistics Section
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
SEPTEMBER 1985

AUGUST INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Aug.	1985	8.4
July	1985	9.5
Aug.	1984	9.1

U.S.

Aug.	1985	7.0
July	1985	7.3
Aug.	1984	7.5

WAGE AND SALARY EMPLOYMENT INDEX

Oregon 1977=100

Aug.	1985	109.5
July	1985	108.8
June	1985	108.7
May	1985	109.2
Apr.	1985	109.1

DIFFUSION INDEX

Oregon

Aug.	1985	47.3
July	1985	45.3
June	1985	45.7
May	1985	50.4
Apr.	1985	48.1

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

July	1985	37.6
June	1985	39.3
July	1984	38.7

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA

July	1985	312.9
Yearly Change	+	4.0%

U.S.

Aug.	1985	323.5
Yearly Change	+	3.4

Portland Hotline 221-4132

JOBLESS RATE – DOWN AGAIN

Earl Fairbanks

Oregon's unemployment rate nose-dived in August to its lowest level since April 1980. The surprising plunge in the August rate brought state unemployment down to 102,800, which is 16,600 less than July's jobless estimate. Strong performances in most industry sectors combined with some temporary stimulus from ship building/repair and auto sales reduced the seasonally adjusted unemployment rate from 9.5% in July to 8.4% in August.

Both the diffusion index and nonfarm employment index confirmed the unemployment rate's positive move. An increase of 2.0 in the diffusion index to 47.3 indicated that more industries were experiencing larger than seasonally expected increases. The employment index rose 0.7 to 109.5. Translated into persons this means that the 11,000 increase in payroll workers was about 6,300 more than expected on a seasonally adjusted basis.

But questions remain about the strength of August's showing and whether it can be sustained. Many analysts, while pleased with the August performance, remain cautious about the future. There are persistent problems facing Oregon's economy that indicate the lower unemployment rate may not last.

A major concern facing Oregon is the economic plight of many lumber and wood products firms. If this industry cannot regain its financial health there will be more mill closures. Fatal wounds will be inflicted upon some of the weaker companies by

RESIDENT OREGON LABOR FORCE

	AUG. 1985 1/	JUL. 1985 2/	CHANGE	% CHANGE	AUG. 1984 5/
CIVILIAN LABOR FORCE 3/	1,333,500	1,327,800	5,700	0.4	1,334,500
UNEMPLOYMENT	102,800	119,400	- 16,600	- 13.9	111,500
PERCENT OF LABOR FORCE	7.7	9.0	XXX	XXX	8.4
SEASONALLY ADJUSTED PERCENT	8.4	9.5	XXX	XXX	9.1
TOTAL EMPLOYMENT 4/	1,230,700	1,208,400	22,300	1.8	1,223,000

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	AUG. 1985 1/	JUL. 1985 2/	AUG. 1984	CHANGE FROM JUL. 1985	CHANGE FROM AUG. 1984
TOTAL 3/	1,029,800	1,018,800	1,011,500	11,000	18,300
WAGE & SALARY EMPLOYMENT INDEX 4/	109.5	108.8	107.6	XXX	XXX
DIFFUSION INDEX 5/	47.3	45.3	55.1	XXX	XXX
TOTAL MANUFACTURING	208,200	201,200	210,000	7,000	- 1,800
DURABLE GOODS	147,500	145,000	151,400	2,500	- 3,900
LUMBER & WOOD PRODUCTS	67,400	66,200	69,100	1,200	- 1,700
LOGGING & SAWMILLS	36,000	35,700	37,700	300	- 1,700
VENEER & PLYWOOD	16,600	16,300	17,000	300	- 400
MILLWORK & STRUCTURAL WOOD	9,200	8,700	8,500	500	700
MOBILE HOMES	1,500	1,400	1,800	100	- 300
OTHER WOOD PRODUCTS	4,100	4,100	4,100	0	0
FURNITURE AND FIXTURES	2,600	2,600	2,600	0	0
STONE, CLAY, GLASS & CONCRETE	2,700	2,700	2,900	0	- 200
PRIMARY METALS	8,800	8,800	9,300	0	- 500
BLAST FURNACES, IRON & STEEL	5,600	5,500	5,400	100	200
NONFERROUS METALS	3,200	3,300	3,900	- 100	- 700
FABRICATED METALS	10,600	10,500	10,600	100	0
FABRICATED STRUCTURAL METALS	5,300	5,200	5,100	100	200
OTHER FABRICATED METALS	5,300	5,300	5,500	0	- 200
MACHINERY	15,500	15,600	15,800	- 100	- 300
ELECTRICAL EQUIPMENT & SUPPLIES	14,200	14,200	14,600	0	- 400
TRANSPORTATION EQUIPMENT	8,200	6,800	9,200	1,400	- 1,000
INSTRUMENTS & RELATED PRODUCTS	14,300	14,400	14,500	- 100	- 200
MISCELLANEOUS MANUFACTURING	3,200	3,200	2,800	0	400
NONDURABLE GOODS	60,700	56,200	58,600	4,500	2,100
FOOD & KINDRED PRODUCTS	30,300	26,000	27,900	4,300	2,400
CANNING & PRESERVING	19,900	15,500	17,100	4,400	2,800
OTHER FOOD PRODUCTS	10,400	10,500	10,800	- 100	- 400
TEXTILE MILL PRODUCTS	1,600	1,600	1,600	0	0
APPAREL	2,400	2,300	2,800	100	- 400
PAPER & ALLIED PRODUCTS	9,500	9,500	9,200	0	300
PRINTING & PUBLISHING	11,100	11,000	11,000	100	100
CHEMICALS & ALLIED PRODUCTS	2,200	2,100	2,100	100	100
PETROLEUM REFINING	500	500	600	0	- 100
RUBBER & PLASTIC PRODUCTS	2,700	2,800	2,900	- 100	- 200
LEATHER PRODUCTS	400	400	500	0	- 100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	AUG. 1985	JUL. 1985	AUG. 1984	CHANGE FROM JUL. 1985	CHANGE FROM AUG. 1984
(CONT.)					
TOTAL NONMANUFACTURING	821,600	817,600	801,500	4,000	20,100
MINING & QUARRYING	1,700	1,600	1,800	100	- 100
CONSTRUCTION	35,500	34,700	34,600	800	900
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	55,300	55,200	56,600	100	- 1,300
TRANSPORTATION	33,000	32,800	34,000	200	- 1,000
RAILROAD	5,000	5,100	5,400	- 100	- 400
TRUCKING & WAREHOUSING	18,100	17,800	18,300	300	- 200
OTHER TRANSPORTATION	9,900	9,900	10,300	0	- 400
COMMUNICATIONS	13,500	13,600	13,800	- 100	- 300
UTILITIES	8,800	8,800	8,800	0	0
TRADE	266,000	262,500	256,900	3,500	9,100
WHOLESALE TRADE	67,200	66,600	65,200	600	2,000
DURABLE GOODS	39,600	39,400	38,600	200	1,000
NONDURABLE GOODS	27,600	27,200	26,600	400	1,000
RETAIL TRADE	198,800	195,900	191,700	2,900	7,100
GENERAL MERCHANDISE	23,300	23,100	24,600	200	- 1,300
FOOD STORES	31,600	31,400	28,600	200	3,000
AUTO DEALERS & SERVICE STATIONS	26,400	25,800	25,000	600	1,400
OTHER RETAIL TRADE	117,500	115,600	113,500	1,900	4,000
FINANCE, INSURANCE, & REAL ESTATE	69,900	69,500	66,900	400	3,000
BANKING & CREDIT AGENCIES	23,600	23,500	23,700	100	- 100
OTHER FINANCE, INSURANCE, & REAL ESTATE	46,300	46,000	43,200	300	3,100
SERVICES	212,400	212,500	208,100	- 100	4,300
HOTELS & PERSONAL SERVICES	25,000	24,800	24,400	200	600
HEALTH SERVICES	70,300	70,000	68,400	300	1,900
OTHER SERVICES	117,100	117,700	115,300	- 600	1,800
GOVERNMENT	180,800	181,600	176,600	- 800	4,200
FEDERAL GOVERNMENT	31,900	32,000	30,200	- 100	1,700
STATE GOVERNMENT	52,000	52,500	50,800	- 500	1,200
EDUCATION	18,300	18,600	17,700	- 300	600
OTHER STATE	33,700	33,900	33,100	- 200	600
LOCAL GOVERNMENT	96,900	97,100	95,600	- 200	1,300
EDUCATION	53,200	53,600	53,200	- 400	0
OTHER LOCAL	43,700	43,500	42,400	200	1,300
LABOR-MANAGEMENT DISPUTES	200	0	700	200	- 500

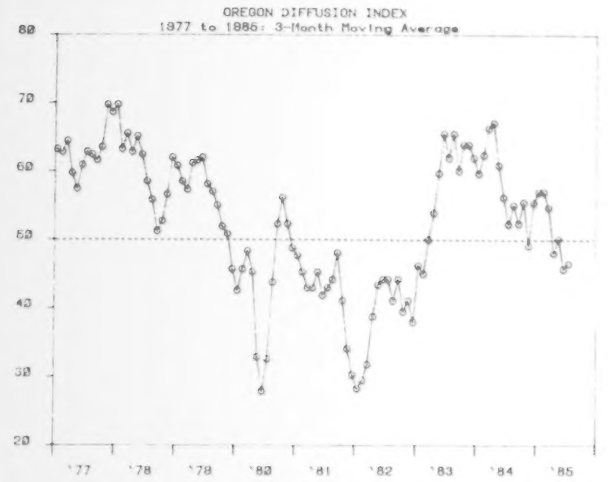
1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.



competition from Canada, Southern U.S. plywood producers, lower priced substitute products, and other problems facing the industry in Oregon and the Northwest.

High technology industries and economic diversification are important, but forest products are still the foundation of most of Oregon's communities. In 1984, lumber and wood products accounted for 33% of manufacturing employment, triple the runner-up, food products, with 11%. In addition, average weekly earnings of lumber products workers were nearly 50% higher than for food processing employees in 1984.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
Selected Industries

	August 1985	August 1979	Change #	Change %
Total	1,029,800	1,072,800	-43,000	- 4.0
Mfg.	208,200	243,600	-35,400	-14.5
L & W Prod.	67,400	85,000	-17,600	-20.7
Prim. Metals	8,800	11,300	- 2,500	-22.1
Fab. Metals	10,600	13,900	- 3,300	-23.7
Machinery	15,500	17,900	- 2,400	-13.4
Elec. Equip.	14,200	8,900	5,300	59.6
Instruments	14,300	18,900	- 4,600	-24.3
Food Prod.	30,300	32,100	- 1,800	- 5.6
Paper	9,500	10,700	- 1,200	-11.2
Printing	11,100	10,100	1,000	9.9
Nonmfg.	821,600	829,200	- 7,600	- 0.9
Constr.	35,500	59,300	-23,800	-40.1
Transp.	33,000	37,200	- 4,200	-11.3
Comm.	13,500	16,100	- 2,600	-16.1
Whlsl. Trade	67,200	68,600	- 1,400	- 2.0
Retail Trade	198,800	191,100	7,700	4.0
F.I.R.E.	69,900	71,500	- 1,600	- 2.2
Health Svcs.	70,300	60,300	10,000	16.6
Business Svcs.	37,600	24,600	13,000	52.8
Other Svcs.	104,500	102,800	1,700	1.7
Federal Gov.	31,900	32,200	- 300	- 0.9
State Gov.	52,000	52,700	- 700	- 1.3
Local Gov.	96,900	101,600	- 4,700	- 4.6

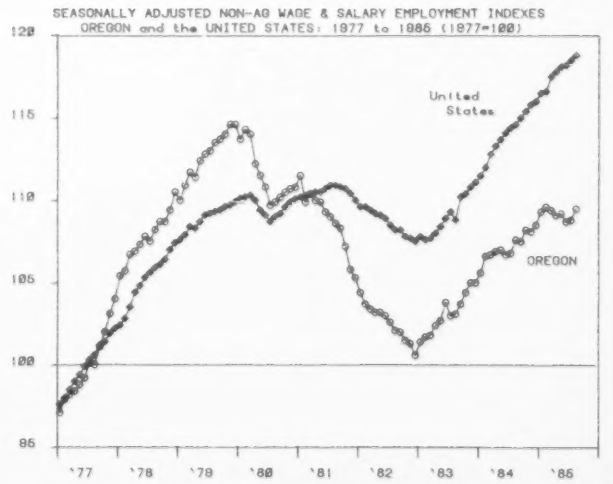
Employment during August of lumber and wood products workers was 1,200 above July, 1,700 below a year ago, and a whopping 17,600 below August 1979. But few manufacturing sectors have regained all the ground lost in the early 1980s. Total manufacturing was down 35,400 (-14.5%) since August 1979. Nonmanufacturing fared better with a decrease of "only" 7,600 (-0.9%) workers.

All other durable goods manufacturing combined, (except lumber & wood products) picked up 1,300 jobs over the month, 1,000 more than seasonally expected. Even though two recent Navy contracts for Portland ship repair yards added several hundred workers, transportation equipment employment was still down 1,000 from last year and 4,700 below August 1979. Although electrical equipment remained unchanged in August and dropped 400 since last year, it was 5,300 higher than the same month in 1979. Printing was the only other manufacturing sector to record a gain (+1,000) since 1979.

All of the August improvement in food and kindred products was in canning & preserving. The 4,300 jump was still 100 fewer than seasonally expected. Food products employment is in a long-term downward trend. Increased productivity per worker coupled with strong midwestern competition helped cause the 1,800 drop since August 1979.

The construction industry gained 800 workers in August but a 1,000 gain was expected based on seasonal trends. Helped along by lower mortgage rates, construction has fared well when compared with August 1984 (+900) but very poorly since August 1979 (-23,800). This industry took the brunt of the economic problems of the early 1980s and has never really recovered.

Two current national trends had an impact on Oregon's trade employment in August. Increased sales of new and existing homes pushed retail employment in building materials and garden supplies up 100 and home furnishings up 300. Lower interest rates for car loans helped employment in the wholesale and retail motor vehicle trade sectors top seasonal expectations by 400. Retail trade has been one of the few sectors showing growth since 1979 (+7,700).



Services, Oregon's growth industry of the 1970s, is still feeling its oats so far in the 1980s. Although employment remained steady over the month, services reported a noteworthy 4,300 increase over-the-year and a blue ribbon 24,700 rise since August 1979. The robust business services sector (+52.8%) nearly ties with the highly visible electronic equipment manufacturing industry (+59.6%) for the highest 1979-85 growth rate while the health services sector trails in a distant third place (16.6%). Business services includes those establishments primarily engaged in rendering services to businesses, such as advertising, mailing, temporary help, maintenance, consulting, protection, equipment rental and others not elsewhere classified.

Government employment dropped 800 in August, but the decline was 1,500 fewer than seasonally expected. The summer job loss from school districts seemed to have taken place before the July survey week this year. Much of the month-to-month change in government is due to seasonal trends, especially during the summer months. But throughout the year, government employment is very fluid. Different seasons demand varying employment patterns whether it be for snow removal from streets and roads in the winter, road maintenance and construction in the summer, fire fighting in the summer and fall, or school operations during the school year, to name a few.

The largest gain in state government over the year was at Fairview Hospital and Training Center in Salem. Federally mandated staffing requirements have boosted the number of workers so far by nearly 500. The State Highway Division has added almost 100 workers due to stepped up road maintenance and construction financed by new state and federal gasoline tax revenues.

If September follows historical trends, Oregon's raw unemployment rate will fall slightly to about 7.3%, the number of unemployed will drop to below 100,000 (for the first time since October 1980), and nonfarm wage and salary employment will increase by 17,000 workers. Some of the new jobs will be in retail trade, prompted by back-to-school sales, but 10-12,000 will be in local education as public schools start another school year. □

PROFILE OF BENTON & LINN COUNTIES

Halfway between Salem and Eugene, situated in the mid-Willamette Valley, Linn and Benton counties cover a fraction under 3,000 square miles. The counties' common border is a 40 mile north-south stretch of the Willamette River. From the river, Benton County extends about 20 miles to the west, while Linn County reaches east as far as Mt. Jefferson, a distance of 70 miles.

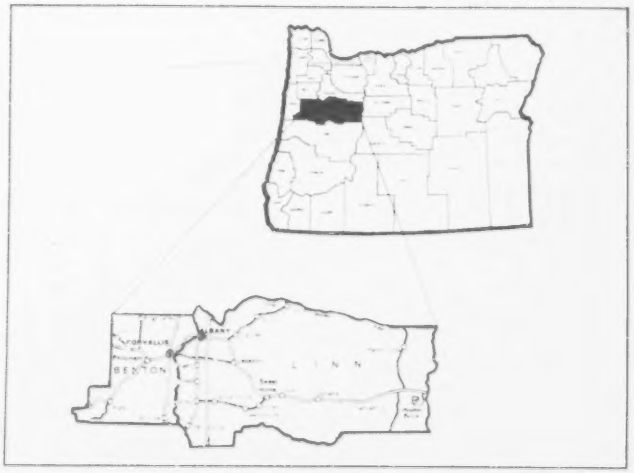
Like most of western Oregon, Linn and Benton counties enjoy an abundant supply of water. Several Willamette River tributaries dissect the area while one other river, the Alsea, is itself ocean-going. These rivers provide a natural drainage system for the average annual rainfall of over 40 inches. Along with good soil, this has made the river valley portions of both counties prime agricultural areas.

Timber is another abundant Oregon resource. The western half of Benton County and the eastern two-thirds of Linn County are both heavily forested.

In addition to these natural resources, the Linn-Benton area enjoys excellent accessibility which includes a freeway (I-5), other major highways (99, 34 and 20), Amtrak passenger rail service (running north-south through Albany) and Southern Pacific and Burlington Northern rail freight lines.

Corvallis is the Benton County Seat. Established in 1857, the city is best-known as the home of Oregon State University, which enrolled 15,624 students for the fall term of 1984. Just eleven miles to the northeast, across the county boundary lies Albany, the largest city in Linn County. Smaller than Corvallis, Albany is none the less an important regional economic center situated on major highway and rail networks. It also is a center of learning, home to Linn-Benton Community College, which served 22,515 people in 1983-84.

Graham Slater



Linn and Benton counties, like Oregon as a whole, experienced population increases of close to 25% between 1970 and 1980. This trend continued into 1981 but was abruptly interrupted in 1982 when the poor economic climate led to substantial out-migration, resulting in a population loss both statewide and in the two-county area.

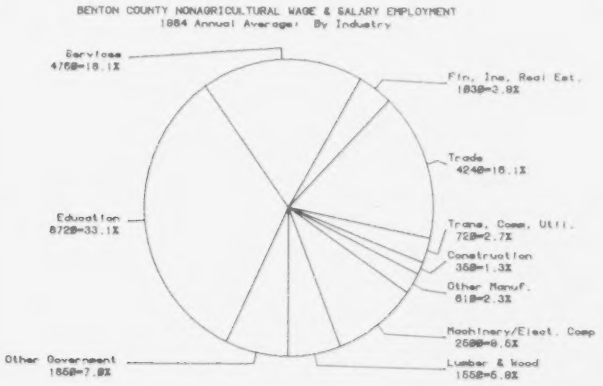
Linn County's population resumed its upward trend in 1983, and reached 89,900 in 1984. However, this falls short of the 1981 peak of 90,300. Benton County, like Oregon, continued to lose population in 1983, but the trend reversed itself in 1984 with an estimate of 68,500. Benton's population peak also came in 1981, with 70,050 residents.

Linn and Benton counties followed the general statewide pattern of deep recession followed by sluggish recovery. However, the two counties possess very different industrial structures and have been affected in quite different ways.

BENTON COUNTY

Benton County relies heavily on the stability provided by Oregon State University. In addition to the jobs it provides, OSU provides the county with a highly educated population, an advantage in attracting 'high-tech' firms, and a ready market for a variety of trade and service establishments. Benton has a much more stable economic base than most Oregon counties, and its unemployment rates are consistently among the lowest in the state. Throughout the '70s, the annual average rate exceeded 6.5% only twice, while employment grew from 19,670 in 1970 to 27,250 in 1979. Significant growth occurred in several industries, including lumber and wood, machinery manufacturing, trade and services.

Unfortunately, this heady growth rate has not continued. Nonfarm wage and salary employment in 1983 was at the same level as in 1979. Lumber and wood products, food processing, construction and government all lost employment during the early '80s. Fortunately, machinery employment increased from 1,490 to 2,500 between 1979 and 1984, due to the continuing growth in 'high-tech' companies. Service employment also continued to grow, adding nearly 600 workers. By 1984, education accounted for 33% of the county's employment, while total manufacturing, trade, and services each accounted for 16-18% of the county's jobs.



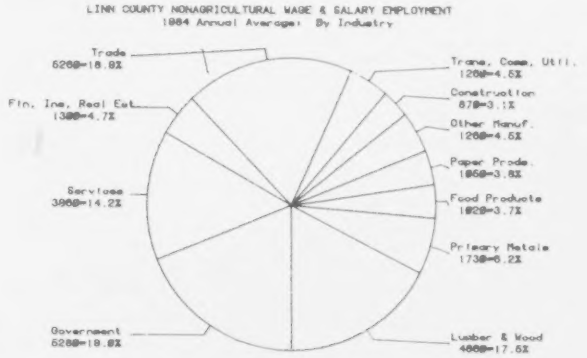
LINN COUNTY

Linn County's job situation is tied much more closely with Oregon's. The county relies heavily on the lumber and wood products industry. Currently, this industry accounts for 46% of the county's manufacturing employment.

Through the '70s, employment in Linn County grew consistently. Lumber and wood products, primary metals, construction, trade, and services all recorded strong job gains.

As the recession hit, employment levels fell considerably and unemployment rates peaked at 18.0%. By the end of 1983, when some measure of recovery had occurred, nonfarm wage and salary employment was still more than 4,000 below 1979 levels.

Annual average employment for 1984 saw lumber and wood products only slightly above 1970 levels and primary metals down 300 compared to 1979. In nonmanufacturing, construction lost more jobs in five recession years than it had gained over the previous 10. Even services employment managed an increase of only 50. Linn County's recession was severe.



By late 1984, most residents of the two-county area had come to accept the dual nature of the area, expecting a gradual recovery which would leave Benton's economy suffering far less than Linn's. Although August unemployment rates in the two counties confirm this disparity (5.1% versus 11.5%), one fact applies equally to both counties in 1985: By year's end, annual average (AA) unemployment rates will be higher than those recorded in both 1984 and 1983. Given that the past two years have supposedly been times of recovery, this is somewhat disturbing.

The following table compares 1985 AA projections with the actual 1984 levels.

	1985	1984
BENTON COUNTY		
Labor Force	31,920	32,700
Unemployed	2,070	1,850
% of labor force	6.5%	5.7%
Employed	29,850	30,850
Total W & S Emp.	26,230	26,330
Manufacturing	4,400	4,650
Nonmanufacturing	21,830	21,670
LINN COUNTY		
Labor Force	37,680	38,430
Unemployed	5,380	4,990
% of labor force	14.3%	13.0%
Employed	32,300	33,440
Total W & S Emp.	27,410	27,840
Manufacturing	9,510	9,910
Nonmanufacturing	17,900	17,930

Linn County presents a somewhat similar picture. Manufacturing employment will be down, due mostly to losses relating to company closures in lumber and wood products, and food processing. Between these two industries, average employment is likely to fall by at least 500. The only gain expected is 40 primary metals jobs.

continued on page 8

HOURS & EARNINGS

Jason Yohannan

June gains in average hourly earnings of production workers were erased in July as the use of overtime was sharply reduced. In June, manufacturers tended to work current employees overtime instead of hiring new staff to meet additional production needs because of uncertainty about the economy. This one-month surge of high-paying overtime work boosted average hourly earnings markedly. In July, however, the short-term use of overtime ended, dropping the average work week by 1.7 hours and average hourly earnings by $.15. This was especially noticeable in furniture & fixtures (a 68% decline in overtime work) and veneer & plywood (a 28% decline). On the other hand, a 51% increase in overtime work for paper & allied products workers, as evidenced by a workweek which increased from 40.5 in June to 42.1 in July, led to a $.45 average hourly wage boost.

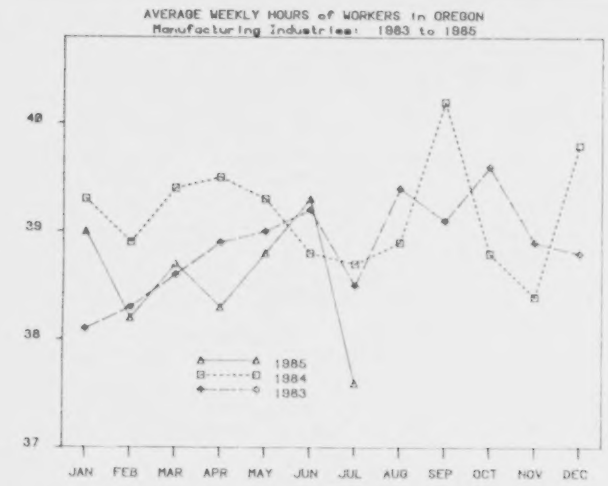
Changing proportions of relatively higher paid or lower paid employees is another major factor in moving the average hourly earnings series. There are two examples of this in the accompanying table. In food & kindred products, 2,800 new canning & preserving production workers came on board in July, meaning that a larger proportion of food & kindred products employment involved lower-paying canning & preserving work (as compared to other food products). An additional factor was that these 2,800 new employees came in at the lower end of the pay scale. The net effect was to reduce average hourly earnings in food products by $.35.

The opposite event occurred in state and local government, where 19,000 aides, cafeteria workers, and other part-time or temporary staff of local school districts and over 5,000 student workers at Oregon community colleges and state universities came off of payrolls. This increased the proportion of higher-paid, full-time/year-round employees, and led to July's large increase of $45.10 in weekly earnings. In both food products and government, these trends should reverse themselves when October data is released.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July 2/ 1985	June 3/ 1985	July 1984	July 2/ 1985	June 3/ 1985	July 1984	July 2/ 1985	June 3/ 1985	July 1984
TOTAL MANUFACTURING 4/	$394.42	$418.15	$409.06	37.6	39.3	38.7	$10.49	$10.64	$10.57
Durable Goods	405.08	435.64	421.30	38.0	40.3	39.3	10.66	10.81	10.72
Lumber & Wood Products	416.27	458.37	431.64	37.3	40.6	38.3	11.16	11.29	11.27
Logging & Sawmills	436.54	483.15	470.01	35.9	39.7	39.2	12.16	12.17	11.99
Veneer & Plywood	425.02	466.05	420.24	39.5	42.1	38.1	10.76	11.07	11.03
Millwork & Struct Wood	329.38	363.32	318.99	38.3	41.1	34.9	8.60	8.84	9.14
Mobile Homes	264.80	314.27	286.31	31.3	36.8	35.7	8.46	8.54	8.02
Other Wood Products	453.70	456.60	452.00	41.7	42.2	40.0	10.88	10.82	11.30
Furniture & Fixtures	276.55	305.71	276.72	35.5	38.6	33.3	7.79	7.92	8.31
Primary Metals	509.56	506.15	501.25	40.7	41.9	43.1	12.52	12.08	11.63
Fabricated Metals	407.64	405.21	397.60	40.4	40.4	39.8	10.09	10.03	9.99
Machinery	405.84	430.40	415.31	38.0	40.0	40.4	10.68	10.76	10.28
Nondurable Goods	368.47	371.04	372.05	36.7	36.7	36.8	10.04	10.11	10.11
Food & Kindred Products	296.17	306.77	304.67	35.3	35.1	36.4	8.39	8.74	8.37
Canning & Preserving	236.00	236.84	248.16	33.1	32.4	35.3	7.13	7.31	7.03
Other Food Products	425.73	425.70	396.13	39.9	39.6	38.2	10.67	10.75	10.37
Textile Mill Products	190.01	213.35	198.21	31.2	34.3	32.6	6.09	6.22	6.08
Apparel	214.30	217.14	156.22	38.2	38.5	29.7	5.61	5.64	5.26
Paper & Allied Products	626.45	584.42	574.58	42.1	40.5	41.1	14.88	14.43	13.98
Printing & Publishing	363.77	377.78	408.67	33.1	34.5	34.4	10.99	10.95	11.88
Construction 4/	512.99	499.20	535.39	37.2	36.2	37.0	13.79	13.79	14.47
Communications & Utilities 5/	517.07	515.43	492.08	41.8	41.4	40.5	12.37	12.45	12.15
Trade 5/	290.83	296.67	298.93	33.7	34.1	34.8	8.63	8.70	8.59
Wholesale Trade	397.43	408.19	408.96	37.6	38.4	38.4	10.57	10.63	10.65
Retail Trade	239.89	244.60	245.60	31.9	32.1	33.1	7.52	7.62	7.42
Banking & Insurance	287.39	284.16	273.47						
State & Local Government	365.52	320.42	346.50						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.



In nonmanufacturing, only trade, services, and government show notable changes from 1984. Both trade and services are expected to add 40 or 50 jobs, while government employment will probably drop by over 100.

In Benton County, the decrease in manufacturing employment can be attributed mostly to the closures of United Chrome, Neptune Microfloc, and North Side Lumber.

In nonmanufacturing, all industries except services are performing at just about the same levels as last year. Construction, transportation, communications and utilities, finance, insurance and real estate, and government all show slight gains, while trade will probably record a minor loss. Services, the most consistent growth industry, is expected to add 130 jobs over last year's average.

As already mentioned, Corvallis and Albany are the two most populous cities in the area. However, they do not have a monopoly on the economic activity of the area. While Corvallis has lost two major companies in the past 12 months with the loss of about 100 jobs, and Albany has lost one large firm employing up to 300 workers, two smaller cities have also suffered from the ongoing recession. Lebanon (in Linn County, population 10,380) lost close to 800 jobs in a six month period early in 1985, when three wood products firms announced closures. Philomath (in Benton County, population 2,635) lost around 200 jobs when another wood products mill filed under bankruptcy laws.

Perhaps the most important thing to remember, as Benton and Linn counties look toward the future, is that the situation can change overnight. Well over 1,000 job losses were announced within a month of each other early in 1985. The recent opening of a Mervyn's store in Albany created 200 new jobs. Similarly, negotiations involving North Side Lumber in Philomath and the ex-Champion mill in Lebanon could result in the return of 500-700 lumber and wood products jobs. So far, 1985 has not been a time for celebration. Hopefully, what is left of the year, along with 1986, will provide much more positive news in terms of job creation and re-creation. □

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